



**AB KLAIPĖDOS NAFTA
UNAUDITED FINANCIAL
RESULTS FOR
THE 6 MONTHS OF 2017**

31st July 2017



CONTENT

- About the Company
- Highlights
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- Other information



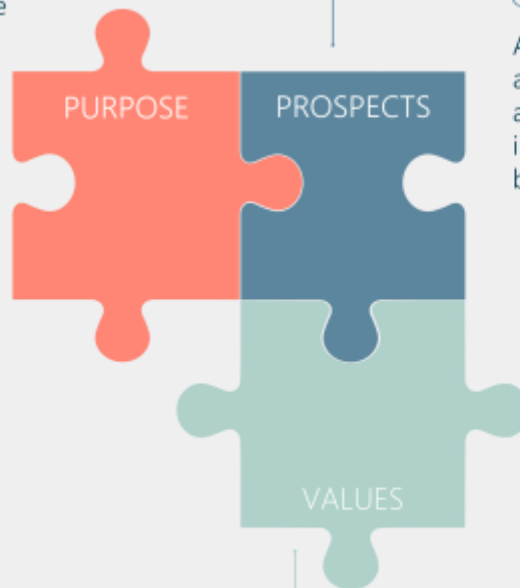
ABOUT THE COMPANY



MISSION, VISION, VALUES

OUR MISSION

Ensure reliable and effective supply of LNG and transhipment of oil products.



OUR VISION

A reliable operator of oil and LNG terminals that adds value through implemented projects and balanced expansion.

OUR VALUES

Initiative, transparency, professionalism and reliability, social responsibility.



ACTIVITIES OF THE COMPANY



OIL TERMINALS



KLAIPĖDA OIL
TERMINAL



SUBAČIUS OIL
TERMINAL

LNG TERMINALS



KLAIPĖDA LNG
TERMINAL



KLAIPĖDA SMALL-
SCALE LNG
TERMINAL



HIGHLIGHTS



HIGHLIGHTS OF THE 2ND QUARTER OF 2017

Credit Agreement with the NIB.

The Company has concluded the Credit Agreement with the Nordic Investment Bank (NIB) regarding granting the credit of up to EUR 20,400 thousand euros to finance liquefied natural gas reloading station's and the 1st stage of Klaipėda oil terminal expansion projects.

Increasing Competitiveness.

The Board has approved the decision to sign the agreements with contractors, who will carry out the development works of Klaipėda Oil Terminal Light oil storage tanks Park and build new tanks for oil products.

28.04.2017

08.06.2017

13.06.2017

27.06.2017

The Allocation of Liquefied Natural Gas Terminal Capacities.

AB Klaipėdos Nafta has signed agreements with three LNG terminal users, i.e. UAB LITGAS, UAB Lietuvos dujų tiekimas and AB Achema, who have been allocated the part of terminal capacities from the 1st of October, 2017 until the 30th of September, 2018.

Additional Capacities.

The additional 960,000 MWh LNG terminal capacities will be allocated to UAB Lietuvos dujų tiekimas during the period from the 1st of July, 2017 until the 30th of September, 2017.



EVALUATION AND AWARDS

Evaluation

- In the conference of transport sector “Business Management 2017”, which was organized by “Verslo žinios”, AB Klaipėdos nafta was awarded as the Leader of Transport Sector.

Awards

- The Blue Baltics project, which is coordinated by AB Klaipėdos nafta, builds on the LNG value chain in the Baltic Sea and encourages the use of clean fuel. The project, which unites 4 countries (Lithuania, Sweden, Estonia ir Germany), has been evaluated for its positive environmental impact. The Blue Baltics project in the Baltic Sea Forum Awards (Berlin) became a leader in the category of „Infrastructure“.

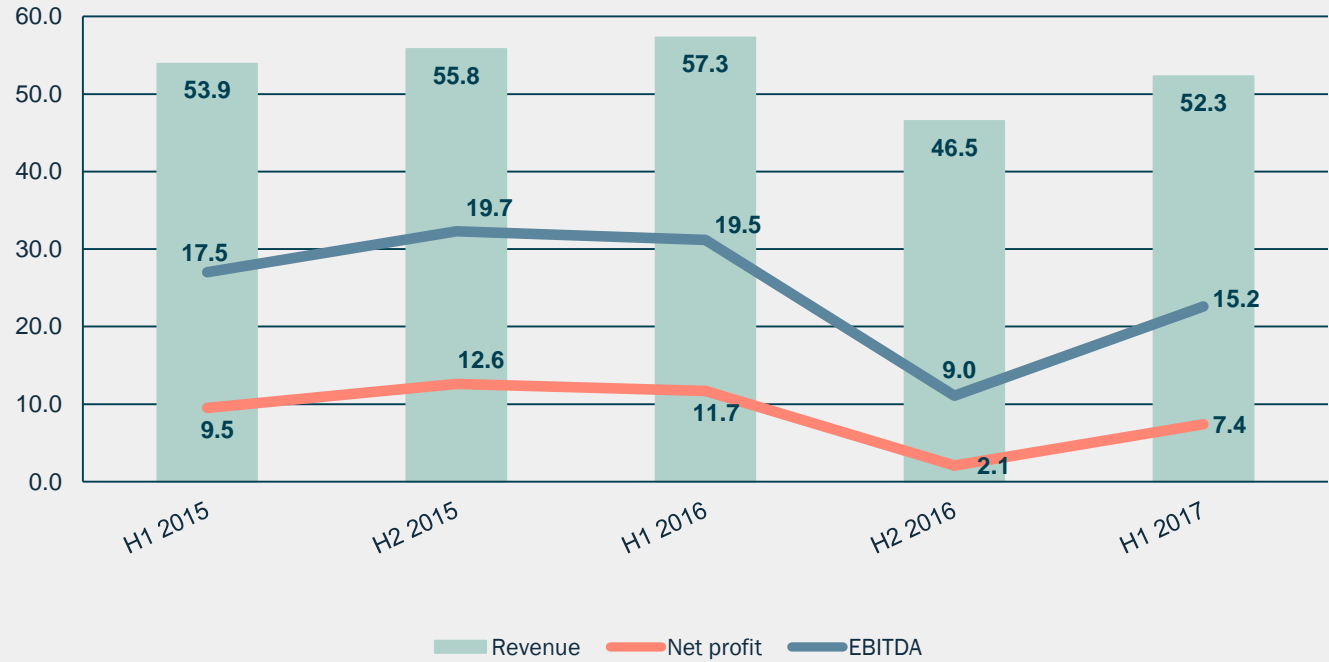




FINANCIAL RESULTS



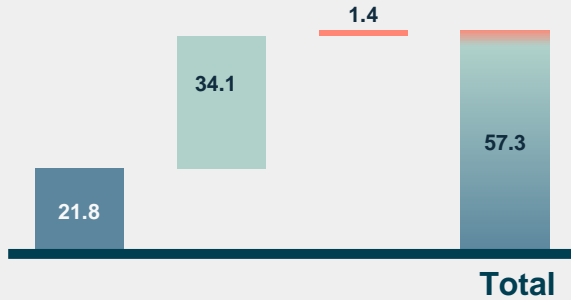
REVENUE, EBITDA, NET PROFIT (UNAUDITED)



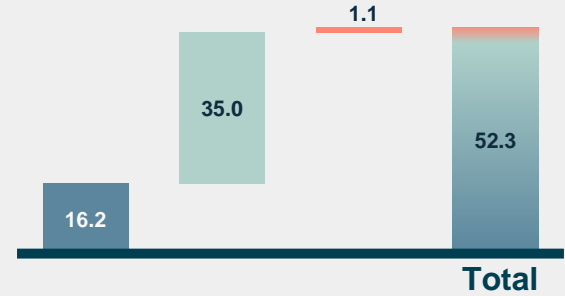


STRUCTURE OF SALES REVENUE BASED ON OPERATING SEGMENTS (UNAUDITED)

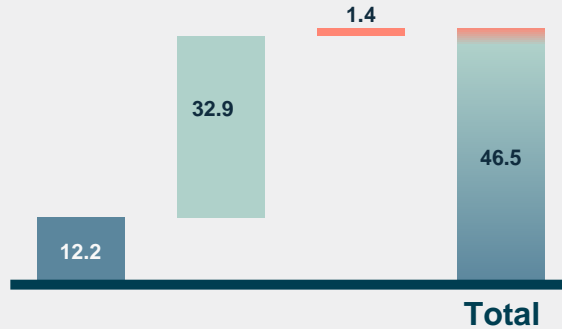
1st half of 2016, MEUR



1st half of 2017, MEUR



2nd half of 2016, MEUR

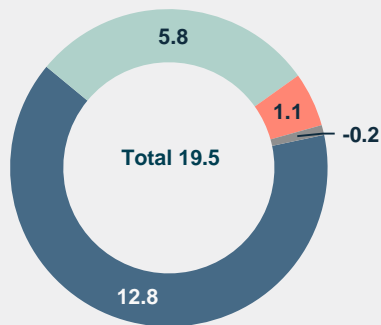


- Subačius oil terminal
- LNG terminal
- Oil terminal

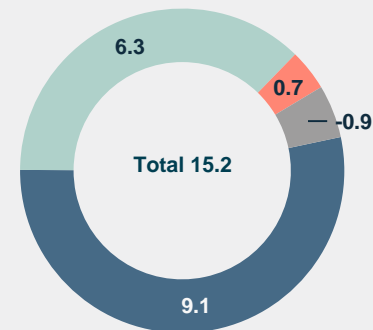


STRUCTURE OF EBITDA BASED ON OPERATING SEGMENTS (UNAUDITED)

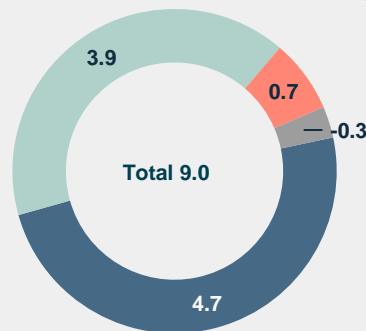
EBITDA for the 1st half of 2016, MEUR



EBITDA for the 1st half of 2017, MEUR



EBITDA for the 2nd half of 2016, MEUR



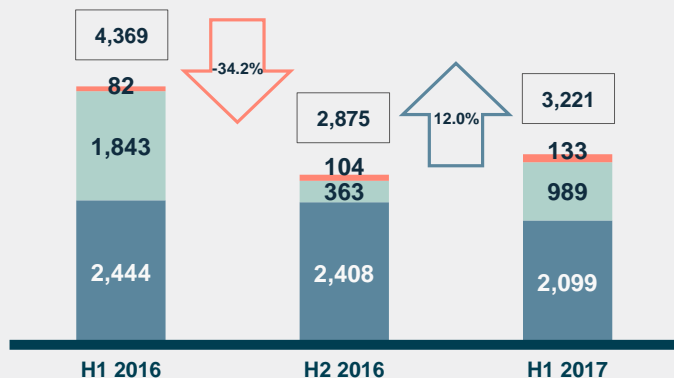
- Oil terminal
- LNG terminal
- Subačius oil terminal
- LNG related business development



KLAIPĖDA OIL TERMINAL RESULTS FOR THE 6 MONTHS OF 2017



Transhipment, thousand tons



- Export (Orlen Lietuva, AB)
- Transit (Russia, Byelorussia oil products)
- Others

MEUR	H1 2016	H2 2016	H1 2017
Revenue	21.8	12.2	16.2
Net profit	8.7	1.3	5.0
EBITDA	12.8	4.7	9.1

BUSINESS FACTORS:

During the 1st half of 2017 it was reloaded 12.0 per cent more oil products compared to the 2nd half of 2016.

Comparing the 1st half of 2016 and the same period of 2017 the transshipment reduced by 26.3 per cent. It depends on:

- the reduce in transit cargos from Belorussia refineries in connection with reduction of crude oil supply into these refineries.

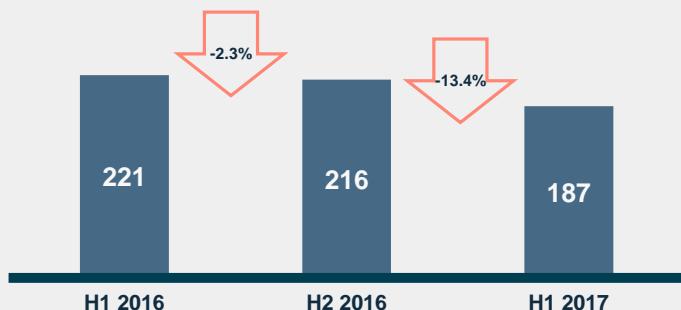
During the 1st half of 2017 the transshipment into road tankers increased even in 52 per cent. The increase was caused by the modernization of the Company's oil terminal light oil product tanks park.



SUBAČIUS OIL TERMINAL RESULTS FOR THE 6 MONTHS OF 2017



Average storage volume, thousand tons



MEUR	H1 2016	H2 2016	H1 2017
Revenue	1.4	1.4	1.1
Net profit	0.6	0.2	0.2
EBITDA	1.1	0.7	0.7

BUSINESS FACTORS:

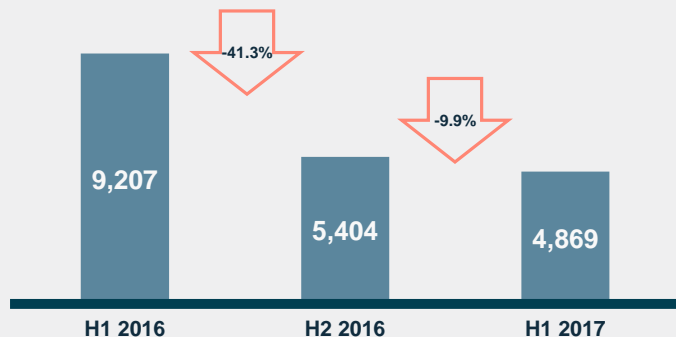
The storage quantities of oil products has reduced in the 1st half of 2017 that accordingly has affected sales revenues.

Transshipment in Subačius oil terminal amounted to 41 thousand tons in the 1st half of 2017 (1st half of 2016 – 56 thousand tons).



LNG TERMINAL RESULTS FOR THE 6 MONTHS OF 2017

Re-gasification and reloading, thousand MWh



*In preliminary calculations the LNG profit is estimated to EUR 3.2 million. The additionally received amount of revenue (or lack of income) will be dedicated for compensation of the LNG terminal necessarily expenses for the coming financial periods.

MEUR	H1 2016	H2 2016	H1 2017
Revenue	34.1	32.9	35.0
Net profit*	2.6	0.8	3.0
EBITDA	5.8	3.9	6.3

BUSINESS FACTORS :

During the 1st half of 2017 six LNG carriers have been accepted, which have delivered 269.8 thousand tons of LNG.

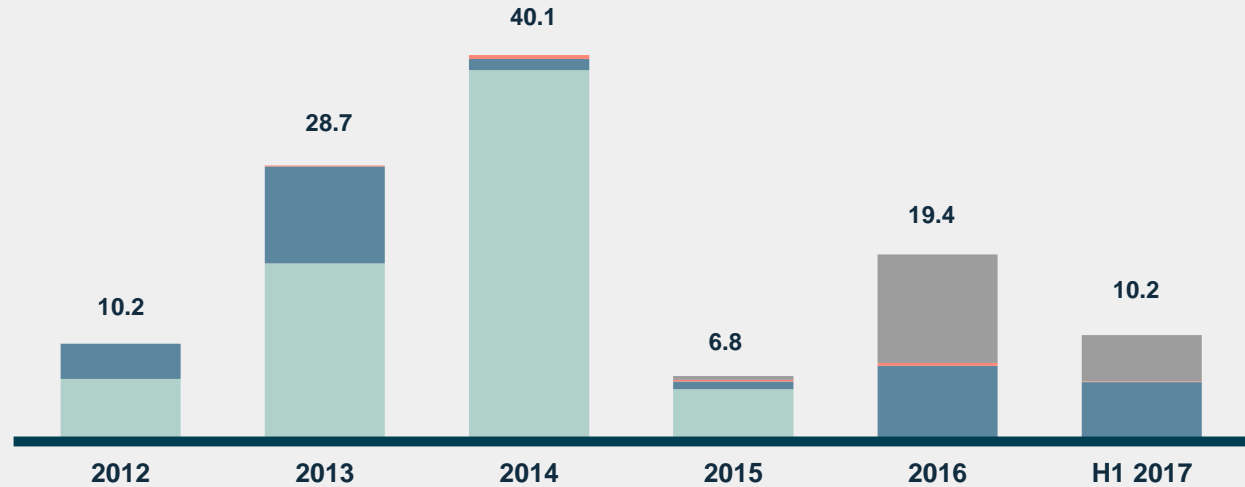
In 2017 LNG reloading service from FSRU was held for the first time. Two LNG small carriers have been accepted, which reloaded 11 thousand tons of LNG.

ASPECTS OF REGULATION:

The activity of LNG terminal is regulated and has the set price cap. The revenue and profit of LNG activity does not depend on re-gasification, therefore, there are differences between financial and regulated profit and revenue.



INVESTMENTS OF THE COMPANY, EUR MILLION



Oil terminal
LNG terminal

Subačius oil terminal
LNG small scale



THE BIGGEST INVESTMENTS TO PROJECTS IN THE 1ST HALF OF 2017, EUR MILLION



LNG reloading station – MEUR 4.0



Expansion of LFO* park – MEUR 2.4



Construction of fuel oil with water tanks – MEUR 1.5

* LFO – Light Oil Products



FINANCIAL FIGURES (UNAUDITED)

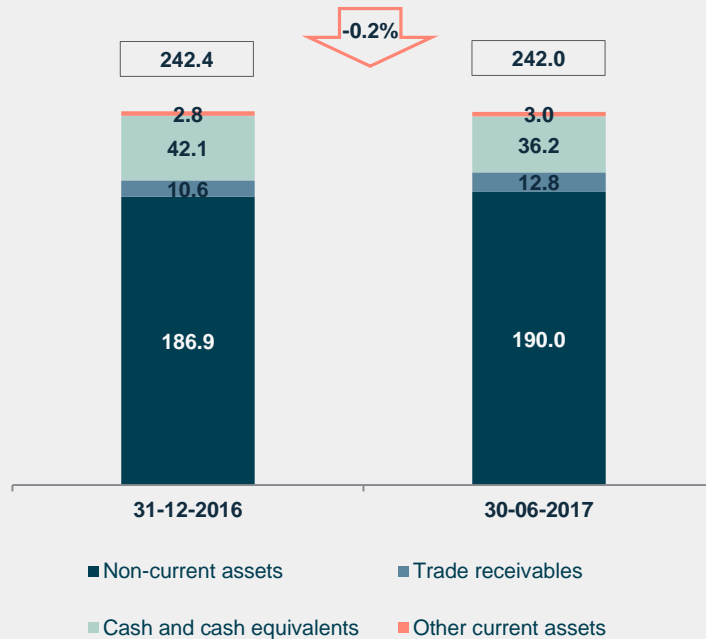
MEUR	H1 2016	H2 2016	H1 2017	Change, %, H1 of 2017 to H1 of 2016	Change, %, H1 of 2017 to H2 of 2016
Sales Revenue	57.3	46.5	52.3	-8.7%	12.6%
Gross profit	15.3	5.5	11.1	-27.7%	101.8%
EBITDA	19.5	9.0	15.2	-21.9%	69.6%
Profit before taxation (EBIT)	12.8	2.3	8.3	-35.6%	250.2%
Net profit	11.7	2.1	7.4	-37.0%	256.7%
Gross profit margin	26.7%	11.8%	21.1%		
EBITDA margin	34.0%	19.3%	29.1%		
Net profit margin	20.4%	4.5%	14.1%		
Return on equity (ROE)*	12.5%	7.2%	5.0%		
Return on assets (ROA)*	10.0%	5.7%	3.9%		
Profit per share (EPS), EUR/share	0.031	0.005	0.019		
Average number of shares	380,606,184	380,606,184	380,606,184	-	-

* The return on equity (ROE) and return on assets (ROA) were calculated by dividing the net profit (losses) of the last twelve months by the average of equity or asset values at the beginning and the end of the reference year.

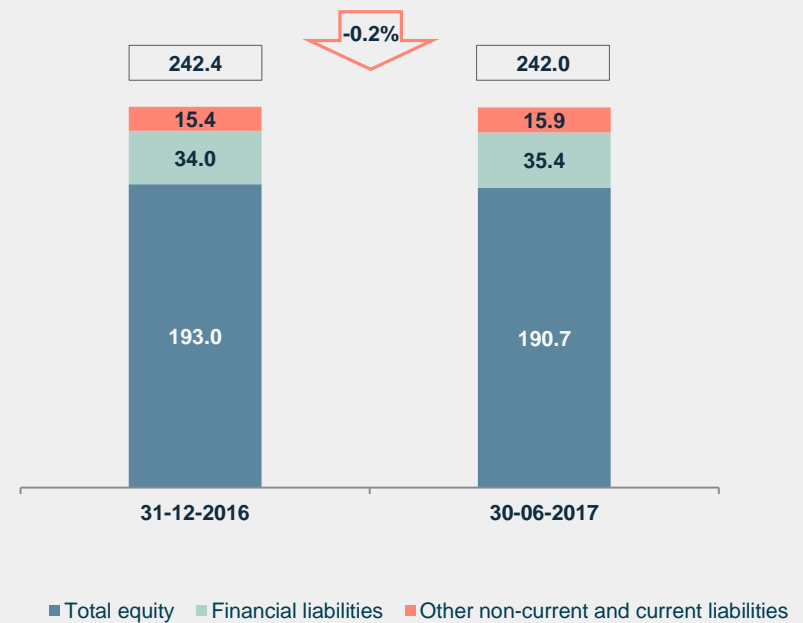


BALANCE SHEET (UNAUDITED)

Assets, MEUR



Equity and liabilities, MEUR





OTHER INFORMATION



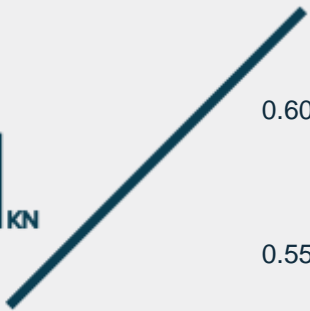
SHAREHOLDERS AND SHARES

Since 2003 the shares of the Company are listed on NASDAQ OMX Vilnius stock exchange:

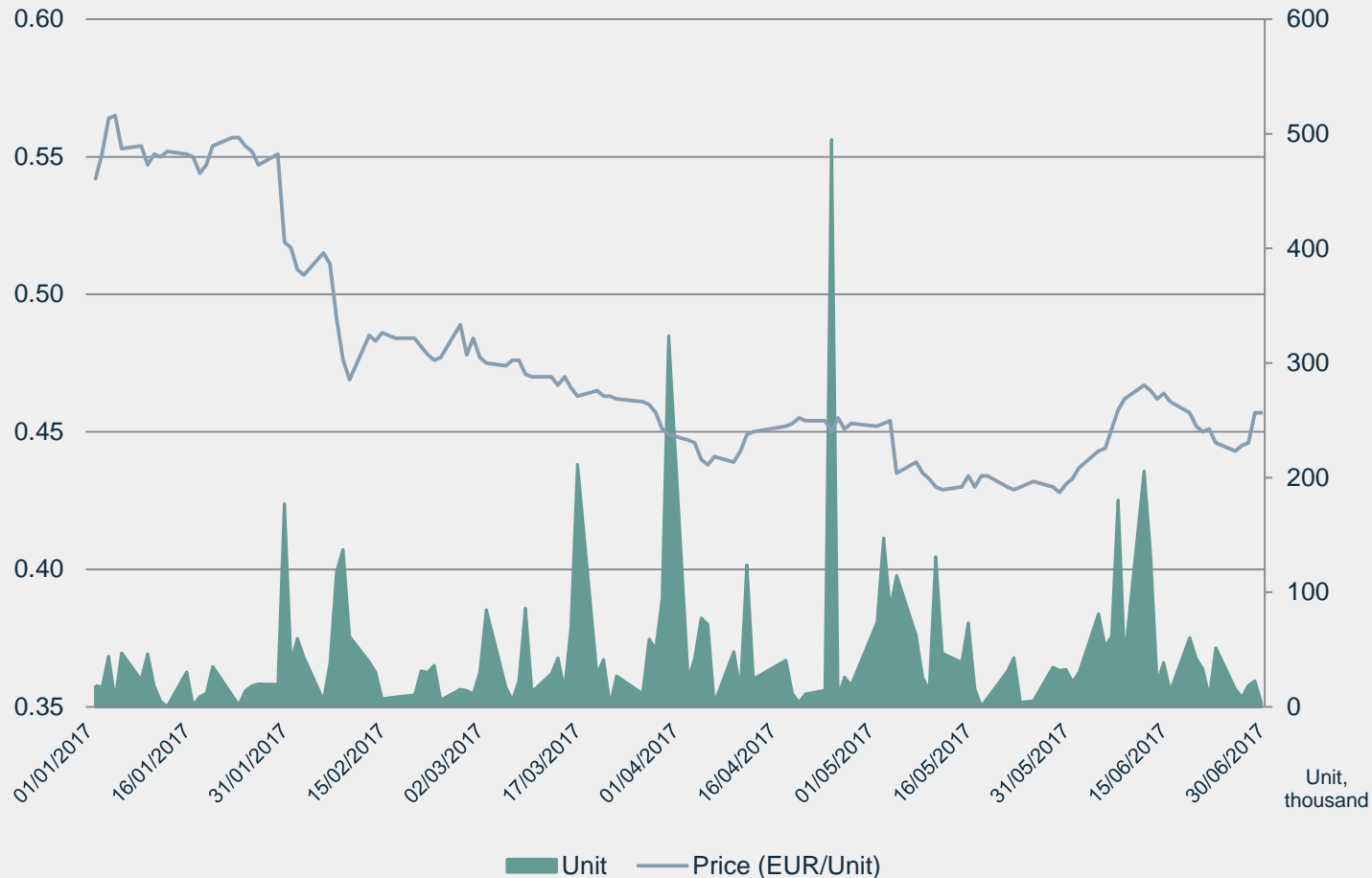
- ISIN code – LT0000111650
- Abbreviation – KNF1L

As of 30th June 2017, all the shares of the Company were owned by 2,110 shareholders (as at 31st December 2016 – 1,993).

Shareholder's name (company's name, address, company code of registration)	30 th of June 2017		31 st of December 2016	
	Number owned shares (unit)	Part of authorized capital (%)	Number owned shares (unit)	Part of authorized capital (%)
The Republic of Lithuania, represented by the Ministry of Energy of the Republic of Lithuania	275,241,290	72.32	275,241,290	72.32
Concern AB Achemos grupe	38,975,150	10.24	38,975,150	10.24
Other (each owning less than 5%)	66,389,744	17.44	66,389,744	17.44
Total	380,606,184	100.00	380,606,184	100.00

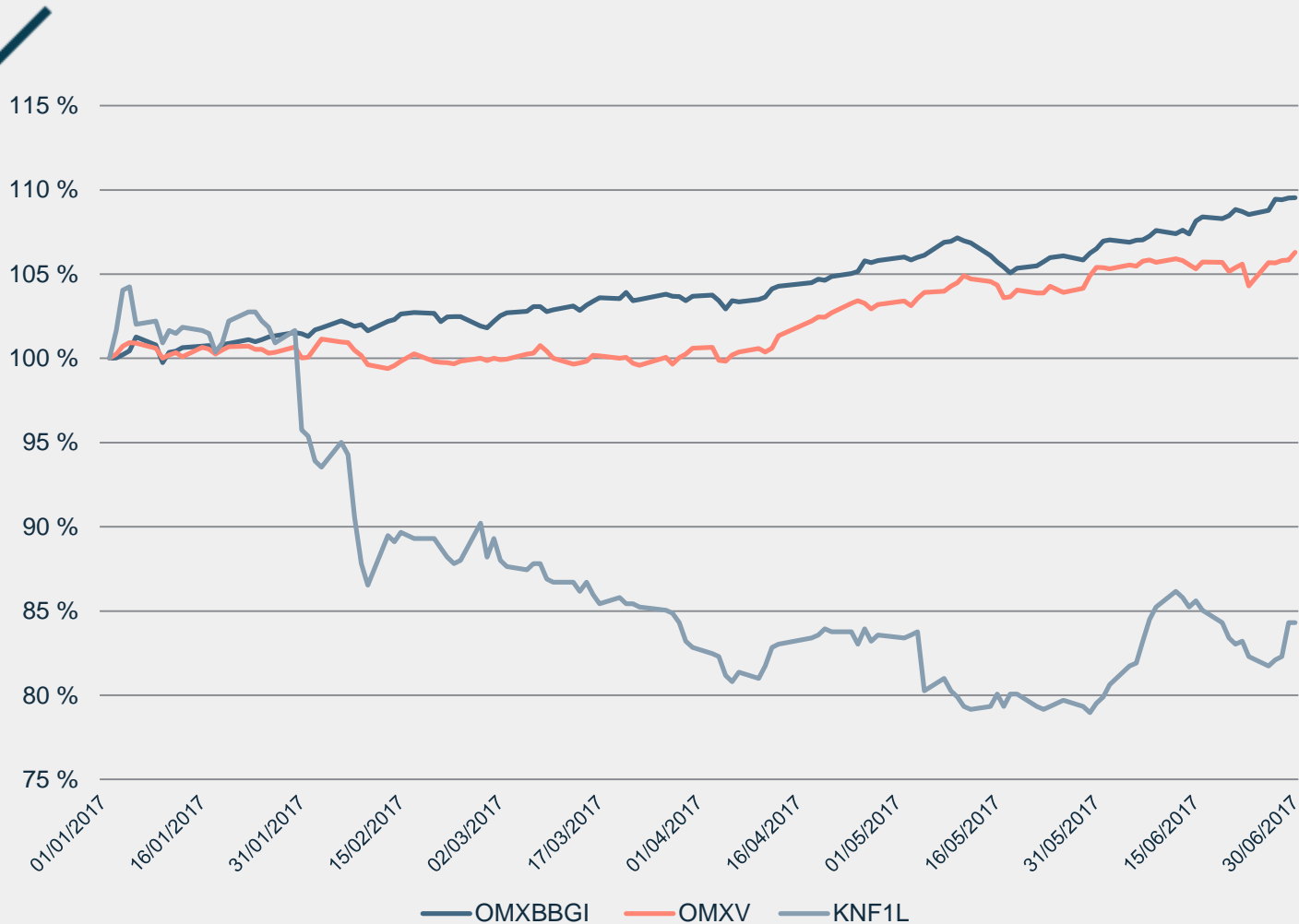


TRADING IN KNF1L SHARES ON NASDAQ VILNIUS STOCK EXCHANGE FOR THE 6 MONTHS OF 2017





**KNF1L SHARE PRICE,
NASDAQ VILNIUS
AND BALTIC
BENCHMARK GI
INDEXES
COMPARISON FOR
THE 6 MONTHS OF
2017**





ORGANIZATIONAL STRUCTURE

BOARD members:

Dainius Bražiūnas

Mantas Bartuška

Giedrius Dusevičius

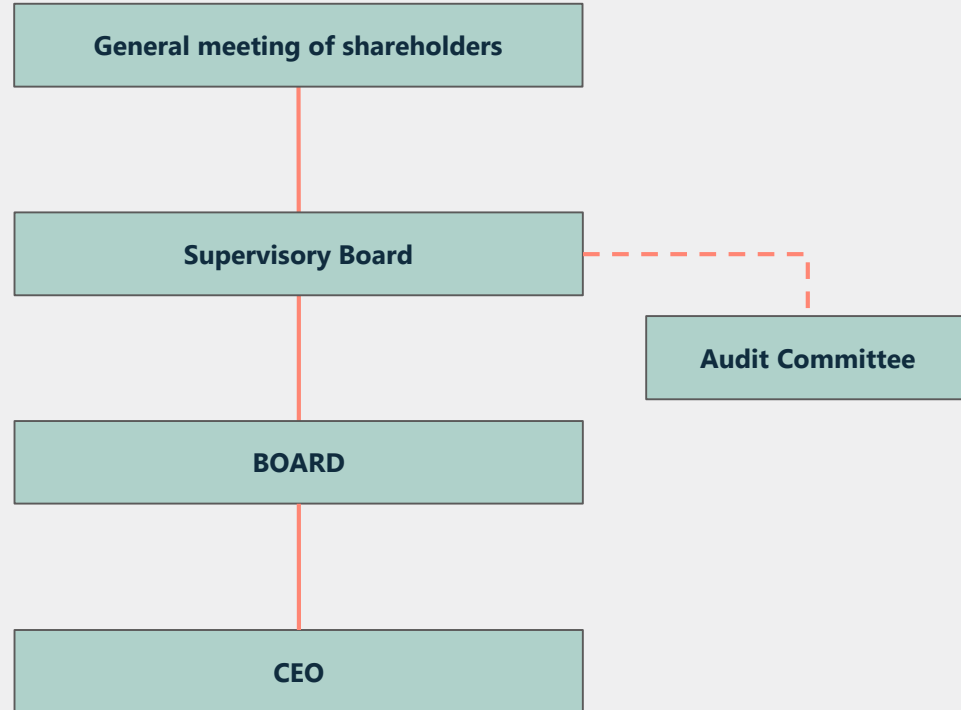
Bjarke Pålsson (since 24th January 2017)

Mindaugas Jusius (till 11th April 2017)

The term of office for the Supervisory Board has ended from the 21st of April, 2017.

The term of office for the Audit Committee has ended from the 21st of April, 2017.

New members until the 30th of June, 2017 have not been appointed.





MANAGEMENT OF THE COMPANY

New organizational structure was approved on the 13th of June, 2017 .



Mindaugas Jusius
Chief Executive Officer (CEO)



Marius Pulkauninkas
Chief Financial Officer (CFO)



Genadijus Andrejevas
Technical Director



Darius Šilenskis
Oil Products Business Director



Rytis Valūnas
Legal Service and Administration
Director



Tadas Matulionis
LNG Business Director



THANK YOU

AB Klaipėdos nafta

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